

Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	541.42	0.00	(34.00)	507.42	0.00	(34.00)	507.42	507.42
Personal Services	22,762,646	(616,237)	(1,323,214)	20,823,195	(634,956)	(1,333,080)	20,794,610	41,617,805
Operating Expenses	8,190,987	(43,231)	875,239	9,022,995	142,356	673,592	9,006,935	18,029,930
Equipment	34,633	51,000	0	85,633	36,000	0	70,633	156,266
Benefits & Claims	92,694,789	322,762	6,939,851	99,957,402	658,703	6,411,009	99,764,501	199,721,903
Transfers	0	0	0	0	0	0	0	0
Debt Service	10,688	0	0	10,688	0	0	10,688	21,376
Total Costs	\$123,693,743	(\$285,706)	\$6,491,876	\$129,899,913	\$202,103	\$5,751,521	\$129,647,367	\$259,547,280
General Fund	42,369,565	1,596,506	2,393,697	46,359,768	2,075,865	1,313,374	45,758,804	92,118,572
State/Other Special	1,150,030	139,964	475,000	1,764,994	249,538	950,000	2,349,568	4,114,562
Federal Special	80,174,148	(2,022,176)	3,623,179	81,775,151	(2,123,300)	3,488,147	81,538,995	163,314,146
Total Funds	\$123,693,743	(\$285,706)	\$6,491,876	\$129,899,913	\$202,103	\$5,751,521	\$129,647,367	\$259,547,280

Page Reference

Legislative Budget Analysis, B-123

Funding

Disability Services Division is funded with a combination of general fund (35 percent), state special revenue (2 percent) and federal funds (63 percent). Most general fund support is used to draw down federal matching funds. The matching ratio for federal programs administered by the division varies. However, the most common ratios are:

- Medicaid services are funded at the federal medical assistance participation rate, which is generally about 30 percent state funds and 70 percent federal funds
- Medicaid administrative costs are funded on a 50/50 ratio of state and federal funds
- Vocational Rehabilitation services are funded on a 21/79 ratio of state and federal funds
- Disability Determination services are funded entirely with federal funds
- The Montana Developmental Center (MDC) is funded entirely with general fund. Medicaid reimbursements for services provided at MDC are first used to repay bond debt and the remaining balance is deposited in the general fund

The single largest source of funding for the division is Medicaid benefit reimbursements that provide 42 percent of the division funding. Other than the general fund, no other funding source provides more than 10 percent of the funding for the division.

Program Narrative

System Redesign

The developmental disability (DD) service system is in the process of significant system change and evolution. Among the primary system changes that will be implemented are:

- Resource allocation changes - The process for allocation of the available funding among service recipients will change
- Statewide published provider rates - The fees that providers will be reimbursed will be determined based upon a published fee schedule and will be uniform statewide
- Provider billing - Rather than billing each month for 1/12 of a contracted amount, providers will bill for the services provided to each individual

The changes currently underway in the DD system impact most DD system stakeholders including consumers, consumer families, providers, and the department. Additionally, as planning is undertaken for these changes, review, discussion, and change of policies occur.

Catalyst for Change

The two major catalysts for change influencing the DD system are 1) federal Medicaid requirements and findings from the Center for Medicare and Medicaid (CMS) review of the Home and Community Based Services (HCBS) waiver serving developmentally disabled individuals; and 2) litigation. Both are significant because they may impact the financial status of the state. CMS may do so by withholding federal Medicaid reimbursement if the state is not in compliance with federal requirements. Court cases may do so by specifying both the level of state funding and how the funding must be expended.

Process of Change

Given the magnitude of the changes mandated by CMS and the significant level of effort that would be necessary to complete these changes, the department decided to hire a contractor to assist with several issues and in particular to assist with the development of a uniform statewide reimbursement methodology. In October 2003, Mercer Government Human Services Consulting (Mercer) began working to assist the department in issues related to the DD system. There are primarily two products being developed by Mercer under contract with the department. These two products are:

- The Montana Resource Allocation Protocol (MONA)
- A schedule of published rates and reimbursement methodology that will be utilized statewide

Montana Resource Allocation Protocol

The MONA is a tool that will be used to allocate the funding for DD HCBS waiver services among service recipients. The client and other individuals invited by the client work with a case manager to respond to a number of questions. The software application then applies formulas to determine the level of financial support needed to provide services to the individual. There are two versions of this tool, one to be used for children age six and above and another to be used for adults.

Provider Rates and Billing

Over the course of the past year the department via Mercer has been developing provider rates and a reimbursement methodology. The department plans to move to a published rate schedule that will be used to reimburse all providers and to a reimbursement methodology that reimburses based upon the service provided to the individual, rather than a contract with a provider to serve a predetermined number of individuals. This type of reimbursement system will more easily facilitate consumer choice among providers and portability of services from location to location.

Some portions of the rate calculation methodology use comparable benchmarks. Utilization of a benchmark is valuable in determining reimbursement rates. However, the use of a benchmark does not mean providers are required to pay costs at that rate. It simply means the reimbursement rate is adequate to pay costs at the specified level. Providers maintain freedom to establish employee wages, benefits, and other costs at the level the provider wishes.

In arriving at the direct care wage rate that would be assumed as part of the reimbursement rate calculation, the contractor evaluated a number of data sources of wage and salary information for comparable job duties to arrive at a benchmark.

The benchmark wage rate as proposed by the executive is set at the 25th percentile for comparable jobs. Employee benefits, including both mandated (social security, Medicare tax, workers compensation, and unemployment) and non mandated (health insurance, retirement, paid time off, etc), were benchmarked at 30.45 percent of wages. Program related costs were benchmarked at varying rates depending upon the service and range from 7 to almost 28 percent. General and administrative costs were benchmarked at varying rates ranging from 6 to 12 percent depending upon the service. In addition to the base hourly rate the proposed rate structure will incorporate a geographical factor that will increase reimbursement rates for some services provided in the eleven counties that ranked highest in several factors related to costs of housing, labor, etc.

Implementation

The department began a pilot project implementing changes in resource allocation and reimbursement related to Medicaid waiver services for adults in January 2005. This pilot will last about six months and be increased to about 160 individuals and the providers serving those individuals. The participants in the pilot were selected based upon a statewide random sample, with individuals having the option not to participate in the pilot if they wish to exercise that option. The department will be closely monitoring the impact of system changes on both consumers and providers. Additionally, the department is in the planning stages of pilot implementation of changes in the children's system, and currently plans to implement a pilot in the children's system around March 1, 2005.

Stakeholder Involvement

Throughout the course of the past year as the DD program has pursued the Mercer project, the department has involved consumers, providers and other stakeholders via various mechanisms. An advisory group consisting of consumer representatives, providers, legislators, and other interested parties have met monthly to provide feedback and advice to the department. So called "focus" group meetings have been held statewide with consumers, consumer organizations, providers, and the public to provide information and respond to changes. Additionally, several meetings have been held with providers and provider groups to review the methodology behind the proposed rate, data collection and findings, and billing related issues.

Litigation

Issues surrounding the provision of services to developmentally disabled individuals have been the subject of litigation at both the state and federal level. At the federal level, the U.S. Supreme Court decision in the case commonly known as Olmstead has been well publicized for its impact on states and the delivery of services to disabled individuals. At the state level, the recent settlement of the case commonly known as Travis D. has immediate program and financial impacts, some of which are included in the budget proposed by the executive.

Legislative Action

The legislature adopted the executive budget proposal including:

- Movement of individuals from the Montana Developmental Center as required by the Travis D. litigation
- Funding for training, crisis services, and construction start-up costs as required by the Travis D. litigation
- Reduction of the waiting list for DD services by provision of community services to 15 individuals
- Raising the benchmark for direct care worker wages used in developing the statewide published rate from the 25th percentile to the 35th percentile for comparable job categories

The legislature provided general fund support for the following items:

- A computer technician to assist blind and visually impaired individuals in usage of computer technology adapted to their needs, \$130,000 for the biennium
- Increased Part C Early Intervention services for disabled children, \$180,000 general fund for the biennium or services for about 18 children
- Extended employment follow-along and sheltered work services, \$420,000 general fund for the biennium, which will serve about 60 individuals or one-half the waiting list in follow-along services and 10 individuals or one-half the waiting list in sheltered work services
- Independent living services, \$200,000 for the biennium to serve an additional 78 individuals in the eastern Montana region that includes six reservations
- Modification of the executive proposal increasing direct care worker wages by utilizing \$475,000 of general fund to support the wage increase in the first half of FY 2006 rather than using I-149 tobacco tax funds

The Extended Employment program serves people whose disabilities require they have training and job support at work even after the initial job training has been complete. Some of these people work in sheltered workshops and some work in the community with a job coach. Currently, Vocational Rehabilitation is providing services to 125 severely disabled persons in the community and 74 in sheltered workshops.

The Independent Living program helps people with disabilities live independently in their community. Vocational Rehabilitation contracts with four independent living centers (Missoula, Helena, Great Falls, and Billings) to provide a wide array of services including advocacy, information and referral, basic skills training, employment and benefits planning, housing and education assistance, assistance with accessibility issues, and personal care assistance. In 2004, the centers for independent living served 1,512 individuals with a variety of disabilities.

The legislature also adopted language stating that the statewide published rate schedule for DD services be implemented evenly over a four year period and requiring that the department report to the members of the 2005 Legislative Joint Appropriations Subcommittee on Health and Human services and the Legislative Finance Committee every six months on the significant changes that are underway in the DD system.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				(196,641)					(150,318)
Vacancy Savings				(902,404)					(904,247)
Inflation/Deflation				19,166					13,411
Fixed Costs				(55,298)					(32,985)
Total Statewide Present Law Adjustments				(\$1,135,177)					(\$1,074,139)
DP 25 - FMAP Enhancement Adjustment	0.00	1,726,793	0	(1,726,793)	0	0.00	1,726,793	0	(1,726,793)
DP 31 - FMAP Adjustment - Developmental Disabilities	0.00	1,140,119	0	(1,140,119)	0	0.00	1,561,844	0	(1,561,844)
DP 40 - Closure of Eastmont Human Services Center	0.00	(284,530)	0	0	(284,530)	0.00	(284,362)	0	0
DP 47 - Montana Developmental Center Base Adjustments	0.00	593,130	0	0	593,130	0.00	524,330	0	0
DP 52 - Rent Increases	0.00	13,420	0	31,580	45,000	0.00	17,488	0	41,524
DP 59 - Vocational Rehabilitation Tuition Increases	0.00	67,794	0	250,490	318,284	0.00	138,301	0	510,998
DP 64 - Montana Developmental Center Replacement Equipment	0.00	51,000	0	0	51,000	0.00	36,000	0	0
DP 92 - Montana Telecommunications Access Program Increase	0.00	0	244,448	0	244,448	0.00	0	353,470	0
DP 109 - Montana Telecommunications Access Program Decrease	0.00	0	(100,000)	0	(100,000)	0.00	0	(100,000)	0
DP 135 - Disability Determination Services Base Adjustment	0.00	0	0	102,816	102,816	0.00	0	0	153,569
DP 9999 - Statewide FTE Reduction	0.00	(120,677)	0	0	(120,677)	0.00	(115,076)	0	0
Total Other Present Law Adjustments	0.00	\$3,187,049	\$144,448	(\$2,482,026)	\$849,471	0.00	\$3,605,318	\$253,470	(\$2,582,546)
Grand Total All Present Law Adjustments				(\$285,706)					\$202,103

DP 25 - FMAP Enhancement Adjustment - The legislature provided an increase of approximately \$3.5 million general fund and an offsetting decrease of federal funds for the biennium to reflect the discontinuation of an enhanced Federal Medical Assistance Percentage (FMAP) rate. The federal Jobs and Growth Tax Relief Reconciliation Act provided a short-term enhanced FMAP rate that resulted in an increase in federal funds and decrease in state funds of about three percent in the base year.

DP 31 - FMAP Adjustment - Developmental Disabilities - The legislature provided an increase in general fund of about \$2.7 million for the biennium with an offsetting decrease in federal funds due to projected decreases in the FMAP rates for FY 2006 and FY 2007.

DP 40 - Closure of Eastmont Human Services Center - This legislature reduced general fund by \$568,892 for the biennium to reflect the closure of the Eastern Montana Human Services Center (Eastmont) in Glendive. HB 727 from the 2003 legislative session provided for the closure of Eastmont by December 31, 2003 and transfer of the facility to the Department of Corrections. Some employees of Eastmont transferred to the facility in Boulder and the remaining individuals' employment with the state was discontinued. Residents of the facility were moved to community group homes or to the Montana Developmental Center in Boulder. No FTE reductions are reflected in this decision package because at the time the personal services snapshot used to develop the 2007 biennium budget was completed, no FTE remained budgeted for Eastmont.

DP 47 - Montana Developmental Center Base Adjustments - The legislature provided \$1,117,460 general fund for the biennium for holidays worked, overtime and differential pay, and employer paid benefits, which are not included in the base budget.

DP 52 - Rent Increases - The legislature provided \$30,908 of general fund and \$104,012 federal funds for the biennium to support increases in rental costs at ten Developmental Disability and Vocational Rehabilitation field offices.

DP 59 - Vocational Rehabilitation Tuition Increases - The legislature provided \$206,095 general fund and \$967,583 total funds for the biennium to support increased tuition costs. The department estimates that tuition has and will increase about 4 percent per year. However, more than 4 percent per year is requested because no increase for tuition costs was included in the 2005 biennium budget.

DP 64 - Montana Developmental Center Replacement Equipment - The legislature provided \$87,000 of general fund for the biennium to replace equipment used in providing services to individuals who reside at the Montana Developmental Center. MDC proposes replacing one service truck and two passenger vans. Two of the passenger vans (which are used only for on campus transportation) have more than 100,000 miles and the other two passenger vans (which are used to transport clients off campus) have in excess of 90,000 miles each.

DP 92 - Montana Telecommunications Access Program Increase - The legislature provided an increase of about \$600,000 for the biennium from the handicapped telecommunications state special revenue fund. The increase in funding would support a projected expansion in usage of the captioned telephone service by individuals with hearing and speech impairments. The projected usage of captioned telephone service is offset in part by an anticipated decrease in the usage of traditional relay services.

DP 109 - Montana Telecommunications Access Program Decrease - The legislature reduced operating expenses of the MTAP program by \$200,000 state special revenue for the biennium. Operating costs reductions would be achieved by the cancellation of a contract for public relations and advertising. After this reduction, the program would have ongoing funding of \$30,000 per year in its budget to provide public relations, advertising, and program outreach through efforts such as a web page, newsletter, trade publications, senior fairs and limited radio and television advertising.

DP 135 - Disability Determination Services Base Adjustment - The legislature provided a \$256,385 increase in federal funds for the biennium for Disability Determination Services workload increases. These increases include: overtime, medical consultant contracts, rent, and claimant travel.

DP 9999 - Statewide FTE Reduction - This decision package reduces funding for personal services by \$235,753 general fund, but does not reduce FTE authorized by the Office of Budget and Program Planning, to reflect the across the board personal service reduction included in the 2005 biennium budget by the legislature.

New Proposals

New Proposals											
-----Fiscal 2006-----						-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 39 - Movement to Community Services											
10	(35.00)	(171,846)		0	1,604,871	1,433,025	(35.00)	(786,731)	0	1,508,243	721,512
DP 83 - Wait List Reduction											
10	0.00	326,138		0	798,863	1,125,001	0.00	335,700	0	789,300	1,125,000
DP 168 - Bed Tax Funding											
10	0.00	800,000		0	0	800,000	0.00	800,000	0	0	800,000
DP 700 - Extended Employment Additional											
10	0.00	210,000		0	0	210,000	0.00	210,000	0	0	210,000
DP 701 - Independent Living											
10	0.00	100,000		0	0	100,000	0.00	100,000	0	0	100,000
DP 706 - Computer Tech Support Assist with Tech for Blind											
10	1.00	65,000		0	0	65,000	1.00	65,000	0	0	65,000
DP 707 - Part C Early Intervention											
10	0.00	90,000		0	0	90,000	0.00	90,000	0	0	90,000
DP 713 - Direct Care Worker Incr. 25th-35th Percent I-149											
10	0.00	475,000	475,000		1,219,445	2,169,445	0.00	0	950,000	1,190,604	2,140,604
DP 3003 - Independent Living Part B											
10	0.00	228,766		0	0	228,766	0.00	228,766	0	0	228,766
DP 3010 - Extended Employment											
10	0.00	270,639		0	0	270,639	0.00	270,639	0	0	270,639
Total	(34.00)	\$2,393,697	\$475,000	\$3,623,179	\$6,491,876	(34.00)	\$1,313,374	\$950,000	\$3,488,147	\$5,751,521	

DP 39 - Movement to Community Services - The legislature approved a reduction of \$939,379 general fund and an increase of \$3,113,114 in federal funds for the biennium to serve 26 individuals from the Montana Developmental Center in community services. As a result of the Travis D. lawsuit, which was settled in February 2004, the department proposes moving individuals from the state institution to community placements. This decision package includes training funds, crisis funds and construction start-up funds that have been designated by the legislature as biennial, restricted, one-time-only appropriations. This decision package also includes funds to hire contract FTE case managers and it the legislature's expectation that the increased costs incurred to provide state supplemental payments to recipients of supplemental security income will be will be funded with funds provided in this decision package.

DP 83 - Wait List Reduction - The legislature provided approximately \$660,000 of general fund and \$1.6 million of federal funds for the biennium as a restricted appropriation to move 15 individuals off the developmental disabilities waiting list.

DP 168 - Bed Tax Funding - The legislature provided \$1.6 million in general fund over the biennium for the Montana Developmental Center to pay the bed tax enacted by HB 722 of the 2003 session. This proposal is revenue neutral as a like amount will be deposited in the general fund. Funding for the 2005 biennium was provided as one-time-only funding and thus not included in the base budget for the 2007 biennium.

DP 700 - Extended Employment Additional - The legislature provided \$420,000 general fund for the biennium for the Extended Employment Program operated in conjunction with Vocational Rehabilitation services administered by the Department of Public Health and Human Services. \$280,000 general fund for the biennium was provided to serve 60 individuals on the waiting list for "follow along" work services and \$140,000 general fund for the biennium was provided to serve 10 individuals on the waiting list for "sheltered" work services.

DP 701 - Independent Living - The legislature provided \$200,000 general fund for the biennium to increase funding for Independent Living programs that are provided in conjunction with Vocational Rehabilitation services administered by the Department of Public Health and Human Services.

DP 706 - Computer Tech Support Assist with Tech for Blind - The legislature provided a restricted appropriation of \$130,000 general fund for the biennium to support 1.0 FTE and associated costs. This position is a computer support technician to provide assistance to blind and visually impaired individuals in the use of computer technology and software specifically designed for use by blind and visually impaired individuals.

DP 707 - Part C Early Intervention - The legislature provided \$180,000 general fund for the biennium to provide services to children on the waiting list for Part C Early Intervention services, specifically Family Education and Support Services. It is estimated that this funding will support services for 18 individuals for the biennium.

DP 713 - Direct Care Worker Incr. 25th-35th Percent I-149 - The legislature provided \$475,000 general fund, 1.4 million state special revenue and \$2.4 million federal funds for the biennium to support increasing the direct care worker salary benchmark in the DD provider published rate schedule from the 25th to 35th percentile of comparable salaries. The state special revenue support for this increase is from revenue generated due to the passage of I-149 increasing tobacco taxes.

DP 3003 - Independent Living Part B - The legislature provided \$457,532 general fund for the biennium to continue independent living services at the 2005 biennium level. This funding was previously provided through the diversion of tobacco settlement proceeds to the prevention and stabilization fund established by SB 485 from the 2003 session that is scheduled to terminate on June 30, 2005. The 2005 biennium funding from the prevention and stabilization fund was one-time-only funding and thus was not included in the base budget.

DP 3010 - Extended Employment - The legislature approved \$541,278 general fund for the biennium to continue extended employment services at 2005 biennium level. This funding was previously provided through the diversion of tobacco settlement proceeds to the prevention and stabilization fund established by SB 485 from the 2003 session that is scheduled to terminate on June 30, 2005. The funding provided for the 2005 biennium was one-time-only funding and thus not included in the base budget.

Language

The legislature approved the following language for inclusion in HB2:

“Disability Services Division includes funding that supports community services for developmentally disabled individuals and the implementation of a statewide published rate schedule for reimbursement of these services. Funding for these services was appropriated by the legislature in a manner that supports a phased-in implementation of the published rate schedule, with one quarter of the reimbursement for services provided to consumers transitioning to the published rate schedule each year. The department may adjust the timeframe for implementation of the published rate schedule if necessary to maintain federal medicaid funding, avoid federal penalties, or achieve compliance with federal requirements. In the event that the timeframe for implementation of the published rate schedule is modified, the department shall notify members of the 2005 legislative joint appropriations subcommittee on health and human services prior to taking action to change the implementation schedule.

The disabilities services division shall report to the legislative finance committee and the members of the 2005 legislative joint appropriations subcommittee on health and human services every 6 months, on December 31 and June 30, on the status and progress of the following items:

- (1) design and implementation of a published rate schedule for providers of developmental disabilities services;
- (2) design and implementation of the Montana resource allocation protocol to allocate resources among clients in the developmental disabilities service system;
- (3) status of the pilot project implementation of the published rate schedule and Montana resource allocation protocol;
- (4) status and timing of statewide implementation of the published rate schedule and Montana resource allocation

protocol; and

- (5) status of achieving compliance with centers for medicare and medicaid findings and regulations and whether or not imposition of any penalties is occurring.

Funding in Montana Telecommunications Access Program may be expended only to support the activities of the Montana telecommunications access program.

Funding in Developmental Disabilities Training may be expended only to support developmental disabilities training for staff and providers as required in the settlement agreement of the Travis D. litigation.

Funding in Developmental Disabilities Crisis may be expended only to support developmental disabilities consumers who experience crisis and as required in the settlement agreement of the Travis D. litigation.

Funding in Developmental Disabilities Start-up may be expended only to support startup costs for service expansion as required by the settlement agreement of the Travis D. litigation.

Funding in Developmental Disabilities Waiting List Reduction may be used only to support services provided to individuals who have been on the developmental disabilities waiting list and are entering developmental disabilities services.

Funding in Montana Developmental Center Bed Tax may be used only to support the bed tax charged to the Montana developmental center.”

Other Issues

Pending Litigation

In September 2002, the Montana Association for Independent Disability Services, Inc. (MAIDS) and several individuals with developmental disabilities filed suit. Defendants in the MAIDS lawsuit include the Department of Public Health and Human Services and key department and state personnel. MAIDS is a non-profit organization comprised of entities providing community-based services to individuals with developmental disabilities. This suit alleges that the disparity in wages and benefits paid to employees of community based providers, verses the wages and benefits paid to employees of state institutions, has resulted in irreparable and unnecessary harm to the plaintiffs. The plaintiffs allege that several statutory and constitutional provisions have been violated and seek: 1) to have the wage and benefit disparity between employees of state run institutions and community providers eliminated; and 2) to have uniform Medicaid reimbursement rates established. The court is schedule to hear this lawsuit in August of 2005.

A finding in favor of the plaintiffs and requiring the state to reimburse contractors at a level that provides direct care wage rates that are comparable to state employees would likely have a financial impact on the DD system that would be measured in terms of millions of dollars. The potential for similarly situated employee groups of contractors to file similar legal actions exist. The probability and magnitude of such action is currently unknown. Furthermore, how such a finding might impact the definition of employee, employer relationships, and other aspects of labor relations and compensation has not been studied.

Bed Day Utilization Fee

HB 722 from the 2003 session imposed a utilization fee on resident bed days of intermediate care facilities for the mentally retarded (ICF/MR). The fee imposed was equal to 5 percent of the facility’s quarterly revenue, divided by the resident bed days for the quarter. This fee becomes part of the operating costs of the facility and is Medicaid reimbursable. The proceeds (Medicaid reimbursement) of the utilization fee are deposited 30 percent in the general fund and 70 percent in the state special revenue fund (prevention and stabilization fund) for use by the department. SB 82 proposes increasing the utilization fee from five to six percent.